

CHAPTER 1 GENERAL

265—1.1(16) Description of Iowa finance authority organization. The Iowa finance authority consists of nine members, appointed by the governor and confirmed by two-thirds of the members of the senate. A chairperson, vice-chairperson and treasurer are elected by the membership. Authority staff consists of an executive director, also appointed by the governor and confirmed by two-thirds of the members of the senate, and additional staff as approved by the authority.

This rule is intended to implement Iowa Code section 17A.3(1)“a.”

265—1.2(16) General course and method of operations. Regular meetings of the authority shall be held on the first Wednesday of each month at 9 a.m. at 100 East Grand Avenue, Suite 250, Des Moines, Iowa, unless another time and place of meeting is designated by the authority. If the meeting date coincides with a legal holiday, it shall be held on the next succeeding business day. The purposes of such meetings shall be to review progress in implementation and administration of authority programs, to consider and act upon proposals for authority assistance, to establish policy as needed, and take other actions as necessary and appropriate.

This rule is intended to implement Iowa Code section 17A.3(1)“a.”

265—1.3(16) Location where public may submit requests for assistance or obtain information. Requests for assistance or information should be directed to Iowa Finance Authority, 100 East Grand Avenue, Suite 250, Des Moines, Iowa 50309, telephone (515)281-4058. Requests may be made personally, by phone, mail or any other medium available, between the hours of 8 a.m. and 4:30 p.m., Monday through Friday. Special arrangements for accessibility of the authority at other times will be provided as needed.

This rule is intended to implement Iowa Code section 17A.3(1)“a.”

265—1.4(16) Petition to promulgate, amend or repeal a rule. An interested person or legal entity may petition the authority requesting promulgation, amendment or repeal of a rule. Such petition shall be in writing, signed by or on behalf of the petitioner and shall contain a statement of:

1. The rule sought to be promulgated, amended or repealed. A rule proposed to be amended shall be stated in full with proposed deletion enclosed in brackets, and proposed additions underlined.
2. Factual rationale for the proposed action.
3. Any propositions of law to be asserted.
4. Factual account of impact on petitioner, of proposed action.
5. Name and address of petitioner and any other person or entity known to be interested in the rule sought to be adopted, amended or repealed.

The petition should be typed or printed, and captioned BEFORE THE IOWA FINANCE AUTHORITY, and shall be deemed filed when received by the executive director. Upon receipt of the petition, the executive director shall:

1. Within ten days, mail a copy of the petition to any parties named therein. Such petition shall be deemed served on the date of mailing to the last known address of the party being served.
2. Submit petition to authority at the next regularly scheduled meeting, with recommended action.
3. Within 60 days after the date of receipt of petition, either deny the petition or initiate rule-making proceedings in accord with chapter 17A.

In the event of a denial of a petition, the authority shall issue an order setting forth the reasons in detail for denial of the petition. The order shall be mailed to the petitioner and all other persons upon whom a copy of the petition was served.

This rule is intended to implement Iowa Code sections 17A.4 and 17A.7.

265—1.5(16) Request for oral presentation concerning intended rule making. Twenty-five interested persons, a governmental subdivision, the administrative rules review committee, an agency, or an association having not less than 25 members may make written request for oral presentation concerning an intended rule making. Such request shall state:

1. Name, address and telephone number of each person or agency party to the request.
2. The number and title of the proposed rule as given in the notice of intended rule making.
3. The general content of the oral presentation.

Receipt and acceptance of such requests shall be promptly acknowledged by the authority. Not less than 20 days after publication of notice of intended rule making, the authority shall allow oral presentations as requested, at the time when, and the place where stated in the publication of notice of intended rule making.

This rule is intended to implement Iowa Code section 17A.4(1)“b.”

265—1.6(16) Declaratory rulings. The authority shall provide declaratory rulings as to applicability of any statutory provision, rule or other written statement of law or policy, decision or order when petitioned to do so by the public where, in the judgment of the authority, it is necessary or helpful for them to conduct their affairs in accordance with the law.

Requests for declaratory rulings shall be made to the executive director in writing.

Within 30 days after submission of a request for declaratory ruling, the authority shall issue a ruling on the rule, statute or policy in question. Such ruling shall be in writing.

The authority may decline to rule when, in the judgment of the authority, such ruling would be beyond the authority’s realm of authority, when no clear answer is determinable, or when the issue presented is pending resolution by a court of Iowa or by the attorney general.

This rule is intended to implement Iowa Code section 17A.9.

265—1.7(16) Procedure for informal settlements in contested cases. Unless precluded by statute, informal settlement of disputes over rules of the authority that may otherwise result in contested case proceedings as prescribed in Iowa Code section 17A.12 shall be encouraged.

All such informal settlements shall be made by the executive director subject to ratification by the authority, and by the parties contesting the rule in question. Such settlement shall be expressed in a written stipulation representing an informed mutual consent. If the stipulation provides for amendment or repeal of a rule, rule-making procedures under Iowa Code section 17A.4 shall be followed.

This rule is intended to implement Iowa Code section 17A.10.

265—1.8(16) Operational definitions.

1.8(1) Adjusted income. The gross annual income from all sources and before taxes or withholding of all members of a family living in a housing unit, after deducting the following:

- a. Ten percent of combined gross annual income.
- b. The income of any family member (other than the head of household or spouse) who is under 18 years of age.
- c. The first \$300 of the income of a secondary wage earner who is the spouse of the head of the household.
- d. Three hundred dollars for each dependent member of the family residing in the household (other than the head of the household or spouse) who is under 18 years of age or older but has no income.
- e. Unusual income, as determined by the authority.
- f. Extraordinary medical payments, as determined by the authority.
- g. Job related child care expenses.

1.8(2) Administrative agent. A business enterprise which has as one of its principal purposes the origination and servicing of loans secured by real estate mortgages. Such origination and servicing must be part of the administrative agent’s normal course of business. Each administrative agent must

demonstrate a capacity to originate and service loans as an approved mortgagee of the Federal Housing Administration (FHA) and Veterans Administration (VA).

1.8(3) Area. A county, group of counties or a standard metropolitan statistical area which is acceptable to the authority for the purpose of establishing median income.

1.8(4) Displaced family. A family who is displaced by governmental action or as a result of a disaster as proclaimed by the governor.

1.8(5) Elderly families means families of low or moderate income where the head of the household or spouse is at least 62 years of age or older, or the surviving member of any such tenant family.

1.8(6) Existing housing. A dwelling unit which has been occupied or available for occupancy for more than 18 months from the date of completion of construction.

1.8(7) Family.

a. Any group related by birth, marriage or adoption and residing as a single family housekeeping unit.

b. An individual person who is 62 years of age, or disabled or handicapped, or living with another person who is essential to such individual's care or well-being.

c. A single individual.

1.8(8) Family with one or more persons handicapped or disabled. A family which includes or consists of one or more persons handicapped or disabled residing with such family.

1.8(9) Income adjustments necessary due to unusual prevailing conditions in the area. The authority may establish adjusted income ceilings higher or lower than the median for the area, on the basis of findings that such variations are reasonable and necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors which, in the judgment of the authority, are relevant to income available for housing costs.

1.8(10) Iowa homesteading program. A housing rehabilitation program so designated by the authority.

1.8(11) Low or moderate income family.

a. A family who cannot afford to pay enough to cause private enterprise in their locality to build an adequate supply of decent, safe, and sanitary dwellings for their use.

b. The authority shall by rule which may be adopted without notice determine the maximum permissible adjusted income separately for each series or issue of bonds prior to or at the time the bonds are issued. The authority may by rule after notice revise maximums from time to time, and may revise the maximum for any one series or issue of bonds independently from the maximums for any other series or issue of bonds.

Pursuant to Iowa Code section 17A.4, subsection 2, the authority has determined that it would be impracticable or contrary to the public interest for the initial determinations to be made after giving notice of its intended action in accordance with section 17A.4, subsection 1, because in most cases the authority will issue bonds in 30 to 45 days after making a determination. Giving notice of its intended action would slow down the issuance of bonds by from two to four weeks, and interest rates could rise in the period of delay necessitated by the rule-making procedures to the point that bonds could not be sold.

The result would be that Iowa residents would be unable to receive the benefits of mortgaging financing from the sale of tax-exempt bonds.

Furthermore, the notice is unnecessary as the determination by the authority will be based on standards that are widely known in the mortgage credit underwriting field. As the discretion of the authority in initially setting the maximum permissible adjusted income is quite restricted, notice is not necessary before adopting the initial limit.

c. Rescinded IAB 4/3/91, effective 5/8/91.

d. Notwithstanding anything in these rules to the contrary, "low or moderate income family" includes families purchasing or renting qualified residential housing as defined in Iowa Code chapter 16.

1.8(12) Lower income family. A family whose adjusted income does not exceed 80 percent of the median income for the area.

1.8(13) Median income. An estimate, acceptable to the authority, of the annual family income which occupies a level between the highest and lowest incomes for an area.

1.8(14) Multifamily housing. A residential structure which is designed to include greater than four single-family dwelling units.

1.8(15) Newly built housing. A dwelling unit which is under construction or has been occupied or available for occupancy for 18 months or less, from date of completion of construction.

1.8(16) Single-family housing. A residential structure which is designed to include one to four single-family dwelling units.

1.8(17) Temporary loan. A short-term financial obligation secured by collateral acceptable to the authority.

1.8(18) Very low income family. A family whose adjusted income does not exceed 50 percent of the median income for the area.

This rule is intended to implement Iowa Code sections 16.1, 16.5, 16.14 and 16.17.

265—1.9(16) Local contributing effort. The authority shall consider the contribution of any of the following items in determining whether the local contributing effort has been fulfilled:

1. Payment of governmental funds by a political subdivision or governmental entity, or of private funds by a private entity. Evidence of payment and authority to provide same shall be furnished upon request of the authority.

2. Real property which may be vacant or improved property, suitable, in the judgment of the authority, to the proposed housing project. Liens and encumbrances, if any, shall be disclosed to satisfaction of the authority.

3. Personal property which may include appliances, furnishings, property maintenance tools, remodeling material to be purchased subsequent to project approval, and any other personal property, which in the judgment of the authority, is of relevance to the proposed housing project.

The authority may consider any type of proposed local contributing effort, in addition to or other than the above. Proposals which, in the judgment of the authority are truly innovative, will receive priority.

Local contributing efforts may be combined by type or source.

For the purpose of the rent supplement program provided in Iowa Code chapter 16, the local contributing effort shall be as described in paragraph “1,” and shall be provided on a one-to-one matching basis.

In the case where all or part of the costs of a housing project is to be funded from proceeds of the sale of authority notes or bonds, moneys paid to the authority by participating mortgage lenders may, to the extent such payments exceed the payments due from the authority to its note and bond holders, be considered satisfactory fulfillment of the local contributing effort.

This rule is intended to implement Iowa Code section 16.4(3).

265—1.10(16) Forms. The executive director shall prepare and, as needed, revise and amend, with approval of the authority, such forms as necessary for administration of authority programs. The number and type of forms shall be sufficient to safeguard the interests of the authority.

The authority shall annually assess the effectiveness of its administrative procedures, including all forms, and make any modifications which, in the judgment of the authority, are necessary or would facilitate efficient authority operations.

This rule is intended to implement Iowa Code sections 17A.3(1) “b” and 16.7(2).

265—1.11(16) Waiver. The authority may by resolution waive or vary particular provisions of these rules to conform to requirements of the federal government in connection with any housing development or housing unit with respect to which federal assistance, insurance or guaranty is sought, provided such waiver does not conflict with the Act.

This rule is intended to implement Iowa Code sections 16.4(4); 16.5(15); 16.12(1); 16.15(2) “a,” (2) “c.”

265—1.12(16) Public record. Any result, finding, conclusion, report, publication, document, program or housing project that is prepared with financial assistance under the innovative housing grant or loan program shall be a matter of public record.

This rule is intended to implement Iowa Code section 16.5(15).

265—1.13(16) Tandem of programs. Prospective sponsors and applicants may request authority assistance in form of specific combinations or programs authorized under the Act. To the extent of available staff resources, the executive director may provide staff assistance to sponsors and applicants to determine workable combinations of programs appropriate to the purposes identified.

Authority processing of a tandem of programs shall follow a composite of the statutory and administrative requirements for all programs in the proposed tandem. The composite shall be developed by the sponsor or developer to provide for development and administration of a tandem program appropriate to the purposes identified, and free of duplication or conflict with these rules or the Act.

This rule is intended to implement Iowa Code section 16.11.

265—1.14(16) Severability. If any word, phrase, sentence, paragraph, section or part of these rules is finally adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of these rules.

This rule is intended to implement Iowa Code section 4.12.

265—1.15 Name change. Rescinded IAB 4/3/91, effective 5/8/91.

265—1.16(16) Quorum. Five members of the board constitute a quorum. A majority of a quorum is necessary for any substantive action taken by the authority. A quorum may include any member who has a conflict of interest and a statement of a conflict of interest shall be conclusive for this purpose. Any member who has a conflict of interest shall not defeat the quorum and shall not be eligible to vote on the matter in conflict. Any vote by a member with a conflict shall be excluded.

This rule is intended to implement Iowa Code section 16.2.

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